ELEXON

CAPACITY MARKET RULES CHANGE PROPOSAL REPORT: CP393 – FULL REVIEW OF CM EXHIBITS

This Change Proposal (CP) has been initiated to ensure that the Capacity Market (CM) Exhibits are consistent with the CM Rules, use exact required language, and are made simpler and clearer for stakeholders. This is in response to CMAG25 discussions and recent disputes indicating a need for greater clarity and precision in the Exhibit documentation.

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Date
19 August 2025

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About this Document

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Executive Summary

A summary of CP393 including the Proposal Form, can be found on the CMAG Website.

Issue

The layout and language of the existing CM Exhibits have contributed to frequent errors and inconsistencies in submissions to the EMR Delivery Body (DB). Square brackets for optional text and footnotes created confusion and administrative overhead, while complex language and unclear signature requirements led to misinterpretation. References to vague descriptions rather than specific identifiers made it difficult to validate submissions and introduced ambiguity into the process.

These issues have impacted both Capacity Providers and the Delivery Body, resulting in delays, rejections, and increased manual intervention. Over time, the number and complexity of these Exhibits have increased, and several issues have emerged that affect their clarity, usability, and alignment with current operational practices. Many of the Exhibits contain inconsistent terminology, unclear guidance, and redundant or outdated fields. Additionally, some Exhibits are rarely or never used in practice, raising questions about their necessity.

These issues were identified through feedback from stakeholders, including Applicants, EMR DB, legal advisors, consultants and Independent Emission Verifiers, and were discussed in detail over the course of seven CMAG (Capacity Market Advisory Group) meetings. The review highlighted the need for a comprehensive update to the Exhibits to improve clarity, reduce administrative burden, and ensure alignment with the CM Rules and operational processes.

In summary, the issue identified by the Proposer (supported by the CMAG) is that the current suite of CM Exhibits is outdated, inconsistent, and in some cases unfit for purpose, creating unnecessary complexity and risk for Capacity Market participants. A full review and revision of the Exhibits is required to address these shortcomings and support a more efficient and reliable Application process and ongoing Agreement Management.

Solution

This Change Proposal reviews each Exhibit in detail to:

- Require use of the exact text as outlined in the CM Rules.
- Align all language with the CM Rules and remove ambiguity.
- Eliminate optional deletions within text where avoidable.
- Cross-reference relevant rule clauses.
- Ensure Exhibits are compatible with both the EMR DB portal Exhibit generator and Word template submissions.

Impacts and Costs

Impacts and Costs	
Organisation	**Comment**
CMSB	No implementation or ongoing costs are expected.

EMR DB	No implementation or ongoing costs are expected.
Industry	No implementation or ongoing costs are expected.

Recommendation

The CMAG recommends to Ofgem:

a) That CP393 better facilitates Ofgem's Principal Objective;

b) The CP393 better facilitates CM Rules Change Objectives;

   i. (a) Promoting investment in capacity to ensure security of electricity supply

   ii. (b) facilitating the efficient operation and administration of the Capacity Market

   iii. (c) Ensuring the compatibility of the Capacity Market Rules with other subordinate legislation under Part 2 of the Energy Act 2013.

c) The draft legal text; and

d) That CP393 should be implemented.

Background and Issue

Background

The Capacity Market (CM) Exhibits are a set of standardised attachments used by Applicants and Capacity Providers to submit declarations and supporting information as part of the CM scheme. These attachments are referenced throughout the CM Rules and are required at various stages, including Prequalification, prior to Auction, Agreement Management, and to provide delivery assurance.

Over time, issues have emerged with the layout and structure of the Exhibits, which have contributed to errors during completion and submission. The Delivery Body raised concerns about the use of square brackets within the attachments, which were often left in place or incorrectly edited by applicants. Footnotes previously included at the bottom of Exhibit pages were also identified as a source of administrative burden. These were often overlooked or misinterpreted, leading to incorrect submissions.

The need for these improvements is underscored by the data from the 2024 Prequalification round, which saw **over 300 rejections** due to missing or incorrect Exhibits. Notably:

- **Exhibit ZB** had the highest number of issues, with **98 incorrect submissions**, often due to inaccurate CMU descriptions.
- **Exhibit ZA** followed closely with **45 incorrect entries**, and **Exhibit A and C** combined accounted for **27 incorrect submissions**, frequently due to the wrong Prequalification year being entered.
- Other Exhibits such as **D, E, and J** also saw multiple errors, highlighting the widespread nature of the problem.

In terms of volume, the most frequently submitted Exhibits in 2024 were:

- **Exhibit A (Company Prequalification Certificate)** – **1,720 submissions**
- **Exhibit C (Certificate of Conduct)** – **1,761 submissions**
- **Exhibit D (Applicant Declaration)** – **198 submissions**
- **Exhibit ZA and ZB (Fossil Fuels Emission Declarations)** – **525 and 904 submissions**, respectively

These figures reflect the critical role Exhibits play in the CM process and the importance of ensuring they are clear, user-friendly, and less susceptible to error[1].

Issue

The layout and language of the existing CM Exhibits have contributed to frequent errors and inconsistencies in submissions to EMR DB. Square brackets for optional text and footnotes created confusion and administrative overhead, while complex language and unclear signature requirements led to misinterpretation. References to vague descriptions rather than specific identifiers made it difficult to validate submissions and introduced ambiguity into the process.

These issues have impacted both Capacity Providers and the Delivery Body, resulting in delays, rejections, and increased manual intervention. Over time, the number and complexity of these Exhibits have increased, and several

[1] Further detail on Exhibit usage and error trends can be found in the attached file: CMAG - Exhibit Review numbers.xlsx, which includes submission volumes from 2014–2025 and rejection data from the 2024 Prequalification round.

issues have emerged that affect their clarity, usability, and alignment with current operational practices[2]. Many of the Exhibits contain inconsistent terminology, unclear guidance, and redundant or outdated fields. Additionally, some Exhibits are rarely or never used in practice, raising questions about their necessity. This is evidenced by Exhibits such as DA/DB/DC and E, which have had five or fewer submissions since 2014[3].

These issues were identified through feedback from stakeholders, including Applicants, EMR DB, legal advisors, consultants and IEVs, and were discussed in detail over the course of seven CMAG (Capacity Market Advisory Group) meetings. The review highlighted the need for a comprehensive update to the Exhibits to improve clarity, reduce administrative burden, and ensure alignment with the CM Rules and operational processes.

In summary, the issue identified by the Proposer (supported by the CMAG) is that the current suite of CM Exhibits is outdated, inconsistent, and in some cases unfit for purpose, creating unnecessary complexity and risk for Capacity Market participants. A full review and revision of the Exhibits is required to address these shortcomings and support a more efficient and reliable Application process and ongoing Agreement Management.

Solution

The intention of the solution is to deliver a comprehensive update to the Capacity Market (CM) Exhibits to improve clarity, consistency, and usability, while ensuring alignment with the CM Rules and operational processes. The revised Exhibits aim to reduce administrative burden, minimise the risk of errors or rejections, and support a more efficient and transparent application process for Capacity Market participants.

The Proposer's solution involved a full review and redrafting of all 19 current CM Exhibits (A–J, DA–DC, ZA–ZD, AA–AB). The review focused on:

- Standardising terminology
- Clarifying declarations
- Removing redundant or unused Exhibits
- Improving usability
- Providing clearer guidance

The Proposer's legal text sought to deliver the intention of the solution by amending the CM Rules to incorporate revised versions of all Exhibits, including updated declarations, field definitions, and supporting guidance. The legal drafting also included the removal of Exhibit DB and the addition of clarifying language.

The CMAG considered the Proposer's legal text and agreed it was the preferred solution and delivered the intention of the solution. CMAG supported the full redrafting of the Exhibits and endorsed the removal of Exhibit DB, subject to final input from DESNZ. CMAG also agreed that the revised attachments should be implemented simultaneously to maintain consistency and avoid piecemeal updates. This decision aligns with the EMR Delivery Body's view, as noted in CMAG Meeting 26, that all changes should be made at once to ensure that Exhibits retain their 'Evergreen' status following the update (Clause 3.3.6). This approach is preferred for several reasons:

- **The EMR Delivery Body (DB)** has indicated that it would prefer to make any necessary changes to its Exhibit Generator tool in a single update, rather than incrementally, to minimise disruption and development overhead

[2] A timeline showing when each Exhibit was introduced or amended is included in the attached document for reference.
[3] Further detail on Exhibit usage and rejection trends can be found in the attached document: CMAG - Exhibit Review numbers.xlsx

- **Applicants** have expressed a preference for transitioning to the new Exhibit formats all at once. This would ensure clarity and consistency across submissions, even though it would require previously submitted Exhibits -some of which may otherwise have remained valid for up to four years - to be refreshed.
- A **one-off implementation** also simplifies the introduction of the proposed Rule 1.6.1(c), which mandates that Exhibits must be submitted without alteration to the template text. Staggered updates would risk a mix of old and new formats in circulation, including legacy features such as optional text in square brackets and footnotes, complicating compliance and review processes.

CMAG considered whether to retain Exhibit DB as a standing declaration for Joint Owners. However, it was noted that Exhibit DA already serves this purpose more effectively, and Exhibit DB had not been submitted in recent Prequalification rounds. The alternative of retaining Exhibit DB was ultimately discarded due to its limited use, unclear purpose, and potential for confusion.

In relation to Exhibit ZA, CMAG discussed whether to revise the assurance language within the current change proposal. However, it was agreed that this issue should be addressed separately due to its complexity and the need for further engagement with IEVs, Ofgem and DESNZ.

No other alternative solutions were proposed during the review phase, and no objections were raised to the proposed approach.

Legal Text for CP393

Due to the volume of changes required, the legal text for this Change Proposal is presented in the form of updated templates for all 19 Exhibits. These revised templates are attached as a single PDF alongside this report.

The templates reflect structural, declarative, and terminology updates across Exhibits A–J, DA–DC, ZA–ZD, and AA–AB. This includes the removal of Exhibit DB and the redrafting of declarations and field definitions to align with the CM Rules and operational processes.

CMAG reviewed the updated templates and agreed they deliver the intention of the solution.

To ensure users of the Exhibits do so without alteration to the template text, it is also proposed to add Rule 1.6.1(c) as follows:

1.6.1 All notices, submissions and other communications by, or to, the Delivery Body pursuant to the Regulations or the Rules must be in writing and:

(a) where pursuant to Rule 5.6 or Rule 5.10, submitted via the IT Auction System; ~~and~~

(b) for all other purposes, submitted via the EMR Delivery Body Portal~~.~~; and

(c) any exhibit submitted to the EMR Delivery Body based on the requirements set out in The Capacity Market Rules must not contain any amendment to the form set out in those Exhibits (with any such amendments resulting in rejection of the exhibit by the EMR Delivery Body), but only have added to the form the appropriate answers, data and signed declarations, which are all mandatory unless otherwise specified within the exhibit.

For Rule 3.12.1, it is proposed the word “complete” be included, to prevent error by omission, and text be inserted to ensure that any copy documents remain valid:

3.12.1 A person submitting an Application or an Opt-out Notification must ensure and confirm in the Application or the Opt-out Notification that:

(a) in all material respects, the Application or Opt-out Notification and, in the case of an Application, all Additional Information submitted by the Applicant; and

(b) in all respects, each of the specific declarations referred to in Rules 3.4 to 3.11 (where relevant),

is true, ~~and~~ correct and complete (or, to the extent that the Additional Information is a copy document, that it is a true, ~~and~~ correct and complete copy that remains valid) and that the Application and Additional Information has been authorised by the board of directors of the Applicant or the person submitting the Opt-out Notification (as applicable).

CMAG Development/Discussions

The CMAG discussed the Exhibit Review Change Proposal at the following meetings:

- **Meeting 26** (19 November 2024)
- **Meeting 27** (17 December 2024)
- **Meeting 28** (21 January 2025)
- **Meeting 29** (18 February 2025)
- **Meeting 30** (18 March 2025)
- **Meeting 31** (8 April 2025)
- **Meeting 33** (17 June 2025)
- **Meeting 34** (16 July 2025)

A summary of discussion is noted below.

Meeting 26

At Meeting 26, CMAG discussed several foundational issues relating to the structure and usability of the CM Exhibits. The discussion began with a focus on how CMUs are identified within the templates and attachments. It was noted that the current approach - referring only to a “description of the CMU” - lacks specificity and can lead to confusion. CMAG agreed that the Exhibits should align with the approach used in the ITE report review, where CMU IDs as submitted by Applicants in the EMR DB Portal were used to provide greater clarity and traceability. There was consensus that this change would improve consistency across the Application process.

CMAG also considered whether the same information, when applicable to multiple CMUs, could be submitted in a bundled format. The current process requires applicants to repeat identical information across separate Exhibits, which was described as administratively burdensome. CMAG agreed that allowing multiple CMUs to be referenced where the information is the same would not be progressed.

The group then turned to the question of whether parties should be permitted to make alterations to the Exhibit text. While there have been instances where applicants added text to make directors more comfortable signing, CMAG reaffirmed that the value of the Exhibits lies in their fixed nature. Ofgem’s guidance is that the templates must be followed as issued. It was agreed that allowing alterations could undermine the legal integrity of the declarations. However, CMAG supported a review of previous instances where additional text had been added, to assess whether any case-by-case flexibility might be justified.

Further discussion focused on whether more general language could be used in declarations to reduce the need for deleting irrelevant sections, or whether different versions of Exhibits should be created for different scenarios. While some directors have expressed discomfort signing Exhibits that include inapplicable sections, CMAG members were cautious about increasing the number of template versions. It was noted that this could introduce unnecessary complexity and confusion. Additionally, concerns were raised that allowing deletions could lead to accidental omissions, making errors harder to detect.

Finally, CMAG discussed the implications of Clause 3.3.6, which states that any changes to the Exhibits will invalidate those currently deemed 'evergreen'. EMR DB advised that all changes should be implemented at once to ensure consistency and to re-establish 'evergreen' status across the revised attachments. CMAG agreed with this approach, acknowledging that while it would require a one-time resubmission of all Exhibits, it would ultimately support a more stable and coherent framework.

Meeting 27

At Meeting 27, CMAG reviewed Exhibits A, B, and E in detail, focusing on improving clarity, legal accuracy, and alignment with operational processes.

For Exhibit A, CMAG discussed the need to accommodate a broader range of applicant types beyond GB-registered companies. It was agreed that the field for company registration should be updated to read "Company Registration Number (or equivalent if Company Registration Number is not applicable)," with accompanying guidance to support overseas entities, LLPs, and individuals. This change was intended to ensure inclusivity while maintaining legal clarity. EMR DB noted past issues where applicants submitted alternative evidence of directorship, and CMAG agreed that the guidance should reinforce the requirement for Companies House records where applicable.

The group also addressed confusion around Auction Year, Application Year, and Delivery Year. CMAG acknowledged that these terms are often misunderstood, particularly as Prequalification and Auction events span different calendar years. It was clarified that the Application Year refers to the year before the Auction, in line with the Auction Guidelines. CMAG agreed that clearer language should be included in the Exhibits to reduce the risk of misinterpretation.

Further discussion focused on the submission of multiple Applications for the same CMU. CMAG confirmed that only the latest Application would be considered valid, and that Applicants should delete older versions of Exhibits before submitting new ones. However, it was noted that the EMR DB portal may still technically allow multiple versions to be uploaded, and this would need to be managed through guidance.

Several terminology updates were agreed to improve consistency. These included replacing "Company" with "Applicant" and standardising the use of "Directors" rather than "Director or Directors" to avoid ambiguity in signature requirements. CMAG also supported the addition of "of the Applicant" to clarify that declarations are made on behalf of the Applicant, not other parties such as Legal Owners or Agents.

The inclusion of Despatch Controllers in declarations was debated. CMAG acknowledged the complexity of insolvency declarations when the Applicant and Legal Owner are different entities. It was agreed that further clarification would be incorporated into Exhibit G, and that a combined or separate declaration may be required depending on the ownership structure.

CMAG also reviewed several declarations within Exhibit A. While some members questioned the value of declarations (c) and (d), the group agreed to retain them for now, pending further advice from Ofgem's enforcement team. Declaration (e), which references Rules 3.4–3.11, was not expanded to include the full Rule text due to its

length. Declaration (f) was revised to remove a 15-year cap on Capital Expenditure and to align with Rule 3.8.1A. Additional wording changes were made to improve clarity and legal alignment.

For Exhibit B, CMAG agreed to remove the requirement for grid references, as CMU ID is sufficient and already linked to Prequalification. The group also supported adding a field to specify the Auction associated with the Application, and removing the address and BM Unit Identifier, which were deemed unnecessary post-prequalification. It was confirmed that Interconnectors are Price Takers by default, and Exhibit B would be updated to reflect this.

CMAG also discussed whether to include a general statement in the Rules that all fields in the Exhibits are mandatory unless otherwise stated. It was confirmed that this had already been agreed and legal text has been drafted.

For Exhibit E, CMAG reviewed the interaction between Rule 3.3.5 (Application-stage Agent nomination) and Rule 7.5.1(s) (post-application Agent changes). It was agreed that further clarification was needed on whether Exhibit E should enforce Rule 3.3.5 for post-application submissions. CMAG also discussed the lack of integration between the EMR DB portal and the My EMRS portal, where volume reallocation is processed. This was noted for consideration in the wider Agent review.

The structure of Agent details in Exhibit E was also debated. While there was support for including both “Agent Company Name” and an optional “Agent Individual Name,” CMAG ultimately agreed to retain the current wording to avoid mixing operational processes with Rule-based declarations. A note will be added to clarify that nomination forms for individual users of the DB Portal can be attached separately.

Finally, CMAG agreed that declarations (f) and (g) in Exhibit E should be reviewed to ensure alignment with the language of the Agent SDD Change, once approved.

Meeting 28

At Meeting 28, CMAG reviewed the final drafts of Exhibits B and E, and received the first presentation of Exhibits C and D. The discussion focused on refining language, clarifying declarations, and ensuring consistency across attachments.

For Exhibit B, CMAG considered whether the term “Relevant CMU” should be capitalised as a defined term. It was agreed that the term should remain in lowercase - “relevant CMU” - to reflect how it is used elsewhere in the certificate and avoid introducing unnecessary complexity.

In Exhibit E, CMAG discussed Declaration (g), where ambiguity had arisen over whether the term “Group” referred to the Applicant’s Group or the Agent’s Group. It was agreed that the declaration should be clarified to read “of the Applicant,” aligning with similar changes made under CP376.

Turning to Exhibit C, CMAG addressed several areas of ambiguity. It was agreed that the “Name of Applicant” field should include guidance to clarify that it refers to the organisation, not an individual. The “Application Year” field was also discussed. EMR DB proposed updating the label to “year of original application submission” to cover both Prequalification and Secondary Trading applications. It was suggested adding “calendar year” to reduce confusion. While some members questioned whether the field was necessary, given that the Exhibit is dated at the time of signing, EMR DB confirmed that it is currently a Rule requirement. CMAG agreed that the Secretariat would review this field after the full Exhibit review is complete.

CMAG also considered whether a new declaration should be added to address attempts to obtain information about other Applicants’ bids. While it was noted that bidding information is not relevant at the application stage, it was also

highlighted that the market manipulation declaration already covers this. CMAG agreed to include a new declaration to reinforce this restriction.

Further discussion focused on the inclusion of the phrase “or any member of the Applicant’s Group” in declarations. While this change aligns with the legal text proposed under CP379, concerns were raised about whether directors could reasonably make declarations on behalf of all Group members. CMAG agreed that this issue should be reviewed further, particularly in light of its potential impact on evergreen Certificates of Conduct.

CMAG also revisited the broader implications of CP379. AM suggested removing the CMCI declaration entirely, as information sharing is already covered under Regulation 65 as Protected Information. It was agreed that this would be explored further with DESNZ and Ofgem, and that a briefing on CP379 would be circulated ahead of the next meeting.

Several terminology updates were agreed for consistency. These included replacing “Company” with “Applicant” throughout the declarations and removing the phrase “including advisors and providers of finance” from clause (e), which was considered overly broad. CMAG also agreed to expand exception (viii) from “that CMU” to “the Applicant’s Group” and to replace references to “Authority” and “EMR DB” with the defined term “Administrative Parties.”

CMAG supported reverting the introductory text before the declarations to “We the directors,” to reflect that only two directors are required to sign the certificate.

For Exhibit D, EMR DB proposed adding rows for Despatch Controller and Legal Owner at the start of the Exhibit to improve clarity. CMAG agreed this would be beneficial. It was also agreed that the CMU Name field could be removed, as the CMU ID is sufficient and avoids ambiguity. Finally, CMAG noted that the role field at the end of the Exhibit could be misinterpreted, and suggested adding a definition from the Rules to clarify who is authorised to sign.

Meeting 29

At Meeting 29, CMAG reviewed Exhibits DA, DB, and DC, and confirmed the finalisation of Exhibits C and D following feedback from the previous meeting.

The discussion focused primarily on the relevance and future of Exhibit DB, which is intended to capture a signed acknowledgment from Joint Owners confirming their agreement for a CMU to participate in the Capacity Market. It was noted that Exhibit DB had not been submitted in the last two Prequalification rounds, with Applicants consistently opting to use Exhibit DA instead. Unlike DB, Exhibit DA requires signatures from both the Applicant and the Joint Owner, and does not require additional supporting documentation.

CMAG considered whether Exhibit DB still served a necessary function. While it was acknowledged that DB could offer operational flexibility, acting as a standing declaration that avoids repeated signatures, members questioned whether this benefit was meaningful in practice. Concerns were raised about whether previously signed declarations were being reused without fresh agreement, potentially undermining the policy intent. The lack of clarity around what constitutes valid supporting documentation further complicated the issue.

It was suggested that Exhibit DB may have been introduced to accommodate specific scenarios, such as where only the Applicant signs and the Joint Owner is not directly involved. However, CMAG noted that these circumstances appear to be rare or outdated. The introduction of Despatch Controllers, who operate assets on behalf of Legal Owners, may have influenced the original design of DB, but the distinction between Despatch Controllers and Joint Owners was seen as insufficient justification for retaining the Exhibit.

CMAG agreed that the rationale behind Exhibit DB was unclear and that its removal should be considered. However, to ensure a thorough review, it was proposed that the decision be paused for one month to allow time for DESNZ to locate any historical documentation or policy rationale. If no further information is found, CMAG would proceed with the proposal to remove Exhibit DB.

In parallel, CMAG agreed to park questions regarding the addition of declarations to Exhibits DA and DB until they could be reviewed by legal teams and discussed with Ofgem and DESNZ. These questions were revisited at Meeting 30.

Meeting 30

At Meeting 30, CMAG received an update on the status of Exhibit DB. Feedback from DESNZ on its proposed removal was still pending, and CMAG agreed to keep Exhibits DA, DB, and DC in draft until any comments were received.

The meeting then focused on the review of Exhibits F and G, with particular attention given to how complex or rare scenarios should be handled within the attachments.

For Exhibit F, CMAG discussed the rare occurrence of multiple Generating Units being consolidated under a single Component ID in the EMR DB portal. While this situation is uncommon, it was agreed that the Exhibit should still provide clear guidance for applicants who may encounter it. Two options were considered: (1) including guidance within the Exhibit template instructing applicants to list each Generating Unit on a separate line if they fall under the same Component ID but have different Legal Owners, or (2) introducing a formal definition of “Component” into the CM Rules. CMAG agreed that Option 1 was preferable, as it addressed the issue without requiring broader Rule changes.

There was some concern that including this guidance directly in the Exhibit might give the impression that such scenarios are common. It was suggested that the guidance could instead be included separately to avoid confusion, but if a choice had to be made, Option 1 remained the preferred approach. CMAG agreed that the guidance should clarify that the Component ID must always be included, and that a description of the Generating Unit should only be added in exceptional cases. A revised heading for the relevant table was proposed to reflect this, and the Exhibit will be updated accordingly for further review.

For Exhibit G, CMAG discussed whether the current wording assumes that the Legal Owner knows the CMU ID or Component ID at the time of signing. It was noted that the Applicant is responsible for managing the process and providing this information to the Legal Owner, but concerns were raised about the risk of incorrect or missing identifiers. CMAG acknowledged that vague descriptions could lead to mismatches and errors, and that reliance on descriptions alone should be avoided where possible.

The group also discussed the frequency with which CMU IDs change, such as when the De-rated Capacity or Connection Capacity is updated, and whether this would require a new Exhibit G each time. While this was recognised as a common occurrence, it was agreed that including the CMU ID remains the most effective way to link the Exhibit to the correct unit. A suggestion was made to allow the use of BMU IDs as an alternative, since they change less frequently, but this was not formally agreed.

Finally, CMAG noted that Exhibit G presents unique challenges because it is signed by the Legal Owner rather than the Applicant. This can create complications when CMU IDs change or when the person signing is not the same individual uploading the data. These issues will be reviewed further during the general consistency check across all Exhibits at the end of the review process.

Meeting 31

At Meeting 31, CMAG reviewed the draft versions of Exhibits H and I, which had been circulated earlier in the month for comment. Although no feedback had been submitted in advance, it was noted during the meeting that these Exhibits have not been used in practice since their introduction.

This prompted a discussion on whether the lack of usage justified their removal. While some members questioned their continued relevance, it was agreed that the Exhibits describe scenarios that could arise in future and should therefore be retained. CMAG concluded that maintaining these attachments would ensure readiness for less common but plausible market arrangements.

Additionally, CMAG identified a wording issue in the CMU ID field of the guidance, which currently refers to a "description" of the relevant Generating Unit. It was noted that this phrasing could be misleading, as a CMU ID is a specific identifier rather than a general description. CMAG agreed that the wording should be updated to improve clarity and avoid confusion.

Meeting 33

At Meeting 33, CMAG reviewed the final draft of Exhibit J and discussed the implications of implementing the revised Exhibit suite. No comments were received on Exhibit J, and it was agreed that the draft would be finalised.

CMAG was reminded that, in accordance with Clause 3.3.6 of the EMR DB guidance, the implementation of revised Exhibits would invalidate all previously evergreen attachments. This means that all Capacity Providers will be required to resubmit updated Exhibits using the new formats. While this introduces a one-time administrative burden, it was emphasised that the updated attachments are designed to be more user-friendly and compatible with both Word-based submissions and the EMR DB portal's Exhibit Generator. The intention is to improve submission quality and reduce the likelihood of errors, contributing to greater long-term stability.

Concerns were raised about the level of CMAG member input during the drafting process. It was noted that much of the drafting had been led by the CMAG Secretariat and EMR DB, and members were encouraged to review the attachments thoroughly to avoid a backlog of comments at the final review stage.

An update was also provided on the overall Exhibit Review timeline. Six final Exhibits, ZA, ZB, ZC, ZD, AA, and AB, would be delivered at Meeting 34. A final internal review would follow to address any outstanding issues before submission. A formal Change Proposal, including substitute versions of all revised Exhibits, would be submitted at Meeting 35, with the full package expected to be sent to Ofgem ahead of the September consultation.

During the meeting, members raised concerns specifically about Exhibit ZA. It was noted that the removal of evergreen status could trigger the need for Independent Emissions Verifiers to reverify previously signed ZA forms. CMAG questioned whether the new format could be used without requiring full reverification. It was confirmed that IEVs were being consulted as part of the drafting process to address this issue.

Finally, CMAG reaffirmed that the final implementation must remain aligned with the original policy intent. This includes maintaining the requirement that Exhibits be submitted using the exact wording provided, without modification or alternative text.

Meeting 34

At Meeting 34, CMAG received a final update on the Exhibit Review ahead of the Change Proposal submission. It was confirmed that no comments had been received on Exhibit J, and that the final Exhibits for review, ZA, ZB, ZC, ZD, AA, and AB, had been shared and remained available for comment on CMAG SharePoint.

The discussion focused primarily on Exhibit ZA, following two meetings held between the CMAG Secretariat and Independent Emissions Verifiers (IEVs). These meetings revealed differing interpretations of the level of assurance required under Section 9 of the Exhibit. One concern raised was that the current language, specifically the phrases

“reasonable assurance” and “with the exception of”, could allow IEVs to validate pre-existing documentation without conducting substantive verification. This could result in declarations being signed based solely on documents presented by the Capacity Provider.

Conversely, other IEVs felt that the current language understated the level of scrutiny they apply in practice, and that it did not reflect the effort involved in verifying emissions data. This divergence raised questions about the consistency and reliability of the assurance being provided under the current wording.

CMAG discussed whether the issue lay with the Exhibit itself or with how it is interpreted by IEVs. It was noted that the current language permits a wide range of assurance approaches, and that some IEVs may be more cautious due to reputational considerations. Members agreed that the variability in interpretation could undermine the intent of the Exhibit and that a review of the assurance language would be beneficial.

However, given the timeline for the upcoming consultation, it was agreed that this work should be separated from the current Exhibit Review. DESNZ expressed interest in being involved in any future discussions on this topic.

A sponsor for the Change Proposal was requested for a formal proposal to be raised.

Impacts & Costs

CP393 Impacts and Benefits

Impact Summary			
Organisation	**Item**	**High/Medium/Low**	**Comment**
CMSB	None	N/A	No impact.
EMR DB	Operational	N/A	Amending the Exhibits in the CM Rules will create administrative efficiency and reporting clarity for the DB. This is a positive impact for the DB as it will support efficiency of review and reduce cases of rejection.
Industry	Operational	N/A	Amending the Exhibits in the CM Rules will create administrative efficiency and clarity for CPs. This is a positive impact for CPs as it will enable them to provide clear information to the DB.

Costs

Estimated Implementation Costs and/or time.

Costs	
Organisation	**Comment**

LCCC/ESC	No implementation or ongoing costs are expected
EMR Delivery Body	No implementation or ongoing costs are expected
Industry	No implementation or ongoing costs are expected

Regulation and Other Code Impacts

No impacts on other industry codes or the CM regulations have been identified.

Views against CM Rules Change Objectives and Ofgem's Principal Objective

Does CP393 better facilitate the CM Rules Change Objectives and Ofgem's Principal Objective		
Objective	**Proposer's View**	**CMAG Views**
Ofgem's Principal Objective	**Positive**	**Positive** - CMAG agreed with the proposer's views
Promoting investment in capacity to ensure security of electricity supply	**Neutral** – no impact.	**Neutral** – no impact.
facilitating the efficient operation and administration of the capacity market;	**Positive**	**Positive** - CMAG agreed with the proposer's views
Ensuring the compatibility of capacity market rules with other subordinate legislation under Part 2 of the Act.	**Neutral**	**Neutral** – no impact.

Delivery Partners Comments

[Include any specific comments and views from EMR DB or CMSB here, if no comments are received note this here]

Recommendations

At Meeting 35 on 19 August 2025, the CMAG made the following recommendations to Ofgem:

e) That CP393 better facilitates Ofgem's Principal Objective;

f) The CP393 better facilitates CM Rules Change Objectives;

   i. (a) Promoting investment in capacity to ensure security of electricity supply

   ii. (b) facilitating the efficient operation and administration of the Capacity Market

iii. (c) Ensuring the compatibility of the Capacity Market Rules with other subordinate legislation under Part 2 of the Energy Act 2013.

g) The draft legal text; and

h) That CP393 should be implemented.

Appendix 1 – Summary of Issue and Government Policy Questions for CP393

Issue and Government Policy Questions	
Question	**Comment**
Is this a valid issue?	**Yes**
Is the CM the right place to address the issue?	**Yes**
Is the solution to this CP going to be counter to the policy objectives of the CM? What is the impact on: • Security of Supply • Cost (including cost to consumers) • Unintended consequences – if there are any, what is the impact?	**No**
Are there any consequential impacts on the Regulations?	**No**
Does this explicitly affect any functions granted to the Secretary of State?	**No**
Is there an impact on subsidy control?	**No**

Appendix 2 – Summary of Standard Change Proposal Questions for CP393

Standard Change Proposal Questions Question	Comment
Are there any related changes to the CM Rules in the pipeline?	**No**
Does the CP further Ofgem's Principal Objective?	The proposed changes improve the clarity, consistency, and usability of the Capacity Market Exhibits. By standardising terminology, simplifying declarations, and aligning the attachments with operational processes, the changes reduce the risk of errors and improve the efficiency of the Application process. This supports more accurate and timely submissions from Capacity Providers, enhancing the reliability of Capacity Market operations.
Does the CP further the CM Rules Change Objectives?	The improvements ensure that the Exhibits remain fit for purpose as market arrangements evolve, furthering the objectives of the CM Rules Change process.
Does the CP impact on the Regulations?	This CP does not affect the Regulation
Are there any impacts on any other central industry frameworks or obligations?	There are no impacts on other central industry frameworks or obligations
Are there any impacts on consumers, and if so, what are the impacts?	There are no impacts on consumers

Standard Change Proposal Questions Question	Comment
Does CMAG agree with the proposed solution? Are there any suitable alternative solutions to address the defect?	Yes, the CMAG unanimously agreed with the proposed solution; alternatives were not developed
What are the expected impacts on: • CM Participants? • Delivery Partners?	CM Participants The revised Exhibits are expected to reduce administrative burden for Capacity Market participants by improving the clarity and structure of the attachments. Standardised terminology, simplified declarations, and clearer guidance will make it easier for Applicants to complete and submit accurate documentation. This will reduce the likelihood of errors, rejections, or the need for resubmissions. Participants will also benefit from better alignment between the Exhibits and the EMR DB portal, supporting a more streamlined and user-friendly application process. Delivery Partners The changes will support more efficient processing, improved compliance monitoring, and better alignment with operational systems.
What are the expected implementation/enduring costs for: • CM Participants? • Delivery Partners?	There are no expected implementation/enduring costs
What are the expected timescales for implementation?	It is expected these changes will be made before Prequalification 2026/27
Does the proposed draft legal text deliver the intention of the solution?	Yes
Is there any alternative legal text that would deliver the intention of the solution?	No alternative legal text was developed
What is CMAG's preferred legal text, to deliver the intention of the solution?	N/A
Does the CMAG recommend to Ofgem that the change be made?	Yes, the CMAG agreed to recommend the changes to Ofgem to be made